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VISCOUNT MOTONO
DR. PAUL S. REINSCH
BARON SHIBUSAWA
LINDSAY RUSSELL
JUDGE E. H. GARY
JULEAN H. ARNOLD
WILLIAM H. WILLIAMS
W. F. CAREY
ANSON W. BURCHARD

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1917



“ I BELIEVE in and have advocated co-operation, between individuals, corporations and nations as distinguished from hostility and bitterness ; an earnest effort to work together and to help one another ; to live and to let live ; to act as business friends rather than as business enemies ; to compete, but openly, fairly, considerately. In our country, big business rivals have acted in accordance with these principles and with financial success to all concerned.”—*Judge Elbert H. Gary.*



THE ERA OF THE PACIFIC.

An Address by Viscount Motono, Foreign Minister of Japan at the America-Japan Society Banquet, May 11.

In a strong, frank address, delivered before the America-Japan Society at its inaugural banquet, May 11, Viscount Motono, Foreign Minister of Japan, presented the problem of American-Japanese relations in a light that gave to this question added significance. His address follows :

“It seems to me that there are few questions of such vital moment to the future welfare of mankind as that concerning the relations of Japan and the United States,” said the Foreign Minister. “The Era of the Pacific is already dawning, and it promises to surpass, in the vastness of the sphere of its activities and influence and in the profundity of its meaning, that of the Mediterranean as well as that of the Atlantic. At last, all the forces, old and new, of the East and of the West will meet. Will they unite or will they clash? This question is to-day challenging an answer from every serious and thinking man the world over.

“Without meaning at all to ignore other great factors, I may say that it lies, in a large measure, in the power of the United States and Japan to determine the answer to this question; and, on the answer, for which they will be held largely responsible, the future happiness and progress of the world will depend. Viewed in this bearing, the relations between Japan and the United states become a matter of supreme importance not only to the two nations themselves but to humanity in general. With the awful responsibility they owe to humankind, will Japan and the United States work hand in hand or will they turn their backs no each other? I am hopeful that our two nations

will always find some essential principles of human-kind on which to base abiding relations of mutual trust and confidence.

“In the meantime, it is important that we should know each other. Knowledge is the only foundation of true understanding and an enduring peace among nations. In this regard, I welcome most heartily the founding of the America-Japan Society, and I am confident, Mr. President, that the Society, under your able presidency and under the wise guidance of the other officers associated with you, will form yet another strong link across the Pacific and will help the two nations in making long strides toward a complete understanding and the firm friendship. I join His Excellency Count Terauchi in the congratulations so ably and fitly expressed.”



THE ATTRACTION OF CHINA.

An Address by Dr. Paul Reinsch Before the American Association of Peking, May 11.

Dr. Reinsch said that they were all very happy to welcome in their midst fellow-citizens from the United States, some of whom were directly interested in Chinese affairs. Chinese business methods were only one degree less confusing than Chinese politics. The Chinese business sense was admirable in transactions between man and man, but it rather tended to lose itself in the air where big corporation finance was concerned. Chinese were apt to take credit as an opportunity of getting money and not ability to perform. A year ago a man came to him and said that he had discovered a solution of the problem of Chinese finance. He was not in authority himself but said that he knew a man who was in authority. He was asked to unfold his scheme, whereupon he inquired whether it was possible to buy silver direct from the United States, which would effect such a saving by dispensing with the profits of middlemen and banks. The man was informed that after all, the saving would not be so enormous. The man's ardour was somewhat cooled but he said he would still do it. "How much silver would you buy?" asked the speaker. "Oh, \$200,000,000," replied the man. "How are you going to pay for it?" he was asked. "In Treasury notes," he replied. "But they would never be accepted," he was told. "Why not?" the man asked. "They are perfectly good. China has never once in her history defaulted. Treasury notes are as good as gold." "But the miners cannot accept them," it was pointed out. "Would it be better, perhaps," continued the man, "to have the Treasury notes secured?" "Yes, it might be so considered," the

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speaker told him. "What security do you propose?" "You know the great treasures in our National Museum. We can pledge them as security." "You mustn't do that," said the speaker. "It is possible that you might not be able to pay and then the treasures will be taken away." "That's why we want to do it! You Americans are our friends and we know you would never do it!" (Laughter.)

The speaker went on to say that although that particular man was inexperienced, there were many men in authority who were unable to distinguish genuine security from security that was unacceptable. When an American financier came across such a type of man, he was apt to be discouraged, because he was given a fair run for his money, found the man he was dealing with full of shrewd business acumen although some of his ideas were nebulous. It was no child's play to do business with that type of man. There was no doubt that some exceedingly foolish contracts had been entered into relative to railways, harbour improvements and electric light works that belonged to others. (Laughter). When Americans came face to face with that kind of psychology, they were apt to be discouraged, but from another point of view, the field was a wide one. At the risk of appearing to indulge in self-adulation, the speaker declared that Americans had the greatest experience in the field of business and alluded to elements of new saving, producing and credit systems. It was sometimes said that China was no place for the investment of American capital and that South America furnished stronger attractions for American capital. But it could not be denied that Americans were taking an increasing interest in China. Two years ago, the

Inspector-General of the Chinese Maritime Customs informed him that there were two or three vacancies in the Customs Service and that applications from Americans would be welcome. He communicated with the United States and very soon the Inspector-General was flooded with stacks of applications from young Americans for the vacant posts. The Inspector-General's hair stood on end. He came to him and said: "What shall we do?" The flood of applications fairly swamped him and it took one clerk to deal with the applications. Here were college-bred American young men ready for the world who were anxious to come to China. That was but a single instance. More and more young men were being attracted to China. Regarding the greater question of American finance, the measure of business scope remained to be seen. Regarding South America as a field for the investment of American capital, there was this to be remembered—that while South America was not to be disdained, they were apt to be disappointed, as that country was not developed and it had not the consuming population of China. For that reason he believed that China would occupy a very important place in the minds of American capitalists and business men. As far back as 1786, the first Consul ever appointed to China was an American and as early as the year 1800 they had an Asiatic Bank in the United States. In conclusion, His Excellency said that every representative of American interests who came to China was on the right track.



THE JAPAN SOCIETY'S WORK.

The Views of Baron Shibusawa, President of the Advisory Committee.

As president of the advisory committee of the Japan Society of New York, Baron Shibusawa made an address at the banquet given in Tokyo on April 20 in honor of Mr. Lindsay Russell, president of the society. Baron Shibusawa's remarks were witty and yet most expressive of appreciation for the work accomplished by Mr. Russell in the United States. He referred to the California question as an unfortunate incident which time would solve with a more correct understanding. The large questions were more related to the attitude of the people in the larger cities, New York, Chicago, Philadelphia and elsewhere. Baron Shibusawa spoke without preparation, for the subject was one near to his heart and to which he had devoted himself. In referring to co-operation he said he realized when in New York several years ago that the wealth of America would in time seek an outlet in the Orient. He feared at that time he might be misunderstood. Since then Judge Gary has visited Japan and returned to America and has endorsed the idea which he suggested years before, and which is now on the eve of practical realization. A new stage in the relationship between the two countries has been opened, and to Mr. Lindsay Russell and his invaluable and indefatigable work, the greatest share of credit must be given.

Baron Shibusawa spoke of a conversation he had with President Wilson at Washington when the President, in referring to him, said: "The footsteps of travelers such as you obliterate the boundary lines between nations." The Baron said he could now return this compliment to Mr. Lindsay Russell, with the hope

that any stones remaining in the path would be smoothed out through the work so well done by Mr. Russell. As the guest of the evening was leaving for China on the morrow this dinner must be taken as a "welcome," and a "farewell" dinner would not be given until after Mr. Russell's return from China. Speaking of co-operation, Baron Shibusawa said the interests of Japan and America in the Orient will be close as years go by, not for exploitation of China but to help in the great work of assisting China to develop herself.



THE CASE FOR CO-OPERATION.

An Address by Mr. Lindsay Russell, President of the
Japan Society of New York.

Mr. Lindsay Russell, president of the Japan Society of New York, made the following address at a dinner tendered in his honor by the Advisory Council of that organization in Tokyo :

Mr. Lindsay Russell responded as follows :

"I cannot allow myself to accept as personal all of your tributes and kindly expressions, but shall assume that they are intended for me in a sense as the humble medium through which you are conveying to my co-workers and colleagues in New York, your appreciation and approval of their earnest endeavors for a cordial, close and continuons relationship between Japan and the United States.

"I presume I should say something this evening about the constructive work of the Japan Society. Its membership, when I was here five years ago, was about five hundred. It is now more than 1,100. Of these over a thousand are Americans, scattered throughout the United States and including every profession and vocation. Its income last year was 52,000 yen. We have a very influential Board of Directors representative of business and finance. There are three Japanese on the Board well known to you, Mr. Arai, Dr. Takamine and Mr. Ichinomiya.

"It has been the privilege of the Society to welcome and entertain many of the distinguished Japanese who have visited the United States during the past ten years. It has conducted a nation-wide educational campaign to make our countries better acquainted and has published many books. It circulates a monthly news bulletin and also a trade bulletin. The Society encourages

travel to Japan, and Americans who come here generally return as friends of Japan and help to create a better understanding. We have recently had the passenger agents of all the great trans-continental railways and Pacific steamship companies in conference in New York, with the view of working out a plan of co-operation in encouraging travel to the Orient. One idea is to adopt a phrase or slogan such as "The Orient calls you. Visit Japan, China and Hawaii." All of the companies are to be asked to print this slogan in all their travel literature, so that millions of persons will read it over and over again. The idea will thus become nationalized and popularized. Mr. Herbert S. Houston, one of the proprietors of the World's Work, and president of the Advertising Club of America, is a director of the Japan Society and chairman of this committee.

"We welcome the organization in Tokyo of the America-Japan Society, which you have formed recently under the presidency of Viscount Kaneko. If this organization and the Japan Society of New York are kept in energetic co-operation through frequent exchange of visits of officers and ideas, efficient and important work can be accomplished. We will at once form in New York a committee of three on co-operation composed of forward thinking men, of constructive minds, and I hope that a similar committee will be formed here. Such a committee in time will become very efficient and may influence the policy of financiers, business men and even our respective governments. Thus public opinion would be shaped by practical men rather than by international theorists or muckrakers, the sale of whose articles and whose living depends upon the number of startling and sensational conjectures

which they can devise. We can no longer depend entirely on conventional methods in strengthening international ties. We should have master minds in both Societies. The problem is how to get them to give the time and attention to organizing methods of international co-operation.

“A vital problem to which the committees might immediately address themselves is that of cleaner publicity, more accurate information, better communication, with reasonable cable tolls, all of which is the key to a better understanding, as well as commercial progress. The wireless telegraph is destined to shortly energize the Far East and awaken China. Soon there will be no East or no West. The magic wand of Marconi is making the world one vast whispering gallery.

“During the past three years we have had in view the development of a Japan-America Chamber of Commerce with the object of encouraging trade, travel and the investment of American capital in the Orient. Let me urge upon my friends here the importance of their co-operation. In this connection allow me to express the hope that China will see the importance of improving her status in the United States, and I see no more effective way it can be done than in co-operation with Japan. This is the age of co-operation and conciliation. China would do well to follow the advice of that master in the American business world, Judge Gary. To quote his words: “I believe in and have advocated co-operation, between individuals, co-operations and nations as distinguished from hostility and bitterness; an earnest effort to live and let live; to act as business friends rather than as business

enemies ; to compete, but openly, fairly, considerably." China would do well to cultivate the friendship of Japan. It would serve to encourage a freer flow of American capital into her territory.

"Every traveller to Japan usually visits China, every merchant doing business with Japan is likely also to deal with China, the very ships that carry merchandise between the United States and Japan also serve China. Japanese activities and enterprise are taking millions of yen to China. In fact, from no matter what angle the situation be viewed, the keynote is co-operation. But instead of this, would-be friends of China are endeavoring to disturb the good relations between the United States and Japan in the supposed interest of China and by an ill-advised propaganda are weakening China's credit in our financial world.

"Broadly speaking, Americans who have any interest in the Far East at all are equally interested in China and Japan. It would be to the interest of Japan and China, as well as the United States, if a Japan-China Bureau were established in New York, managed for the joint interest of these countries. However divergent the interests of Japan and China in the Orient may be, they are almost identical as respects the benefits to be derived from contact with the United States. Let me mention the community of interests upon which China's progress and to some extent Japan's material prosperity depends : capital for investment, increase of trade and travel, improved transportation, lower cable tolls, funds for medical research, hospital and educational work.

"Each country is striving to express and interpret itself to the outside world in its own way. We have

in New York for instance the Japan Society and the China Society, the American-Asiatic Association, the Asiatic Institute, the East and West News Bureau, the Far East Bureau and many others, operating with varying degrees of success. Magazines and newspapers devoted to the Far East come and go in rapid succession. It would seem to be far wiser and more practical if all of these activities were co-ordinated and working in co-operation.

"If I could bring out one message to you, if I could render Japan but one service, it would be to impress on your bankers and business men in this, the hour of your greatest prosperity, that you look to the future and prepare now for the economic struggle that is to come. I do not presume to offer advice regarding your internal affairs, but as respects your status in the United States, concerning which I have given thought for many years, I may perhaps speak. Let me suggest that you make prompt endeavor to impress on the American mind your economic development and financial strength, your dominant position in the Far East, your policy toward China, that you do not adopt dry and tedious statistical methods, but that you consult advertising experts such as are employed by the New York banks and railways.

"I would especially call your attention to the advertising policy of the American Telephone and Telegraph Company and the Union Pacific Railway, each of which is spending fabulous sums, not with the idea of selling anything, but for the purpose of nationalizing an idea. Beware of false press agents and fake advertising agents. They are the parasites of the business world. Some time ago the sugar plantations in

Hawaii were being damaged by rats. Under expert advice the mongoose was brought to Hawaii. After the mongoose exterminated the rats, he set in to destroy the sugar cane and now they are importing a special tick which it is said will destroy the mongoose. I wonder if Dr. Noguchi and Dr. Takamine, your great discoverers in medicine and chemistry, cannot discover something that will destroy the vermin that infests international intercourse.

“In conclusion let me thank you for all that you are doing toward a better understanding between the United States and Japan. Baron Shibusawa is a great leader in this field, as he has been for years in that of industry. His visits to the United States have created a lasting impression. The passing of your Red Cross contingent through the United States on its mission of mercy to England was one of those characteristic manifestations of the Japanese heart that awakened our imagination and touched the well springs of our kindlier emotion. And now you come to us with your usual thoughtful kindness in an hour when we mourn the loss of our late Ambassador and offer a warship to transport the remains to the United States. I do not speak for my government, but I am sure that I voice the sentiment of my people when I say that your kindly national sympathy, as you thus express it to a bereaved family and friends and also to their government and nation, is the “one touch of nature which makes the whole world kin.”

CHINA'S POSSIBILITIES.

Extracts From Addresses by Mr. Julean H. Arnold,
Commercial Attache to the American Legation in Peking :

China has an area fifty times that of Japan, a population eight times greater, a wealth of natural resources several hundredfold as large, and a people with all the potential capacity of their island neighbors.

Its foreign trade in the past thirty years has advanced from eighty to four hundred millions of dollars gold. It should be many times greater.

Though it is the largest cotton yarn market in the word, China has only one million modern spindles, against two and a half times that number for Japan, thirty-two times that number for the United States and fifty for England.

It has thirty to forty modern mills—flour, oil, rice, cotton—match factories, arsenals, shipbuilding works, blast furnaces, electric lighting plants. It should have hundreds.

With a wealth of coal deposits as great as those of the United States, China is to-day still importing coal from Japan.

With an area, including Mongolia, Thibet and Chinese Turkestan, one-third greater than that of the United States, it has six thousand miles of railways to handle her transportation needs and to connect her with world markets, against 250,000 in the United States.

She has cities of more than one hundred thousand population each where the Standard Oil Company's kerosene lamps are the greatest luxury in lighting facilities, where there exist no running water supply, no sewer system, no wheeled vehicles, no telephones, and even no movies.

She has no water generated power plants, although the country abounds in waterways.

JAPAN'S ACHIEVEMENTS.

Extracts from Mr. Arnold's Addresses.

Japan's flag, scarcely known in Pacific waters thirty years ago, is to-day carried on two-thirds of the number of ships in the Pacific trade.

Its ships are in every ocean on the face of the earth,

Its shipyards are building four hundred thousand tons of additional sea-going tonnage.

Its foreign trade of a little over one hundred million dollars thirty years ago is to-day ten times that amount.

Thirty years ago its industries were of the crude, household sort ; to-day over a million people are employed in modern factories.

It has established its credit with the world to the extent of nearly a billion and a half dollars, gold, as measured in actual foreign loans.

Having a modern army and navy, Japan is a first class power.

Its manufactured products, almost unknown thirty years ago, are to-day in nearly all the markets of the world.

Its children attending modern schools have a larger daily average attendance than the children of many western countries.

It has lowered its death rate by modern sanitation.

In the past ten years increase of population has advanced from 1.02 to 1.06 to the hundred.



THE TRADE OF ASIA.

An Interview with Mr. William H. Williams, Vice-President of Gaston, Williams and Wigmore, in "Asia," for April.

"The United States wishes to develop trade relations with China there is only one way to do it. The United States cannot expect to sell goods to China in any big way, with the possible exception of those corporations which are powerful enough to have their own organizations, unless our Government stands firmly and solidly behind the investment of American capital. It is hopeless to expect a general business to be built up without investment. If you will analyze the figures of our commerce with China, which looks substantial and growing, and if you will take out our exports of Standard Oil, you will have very little left. Business cannot be developed with the Orient by small traders, based on propaganda and talk of the wonderful possibilities for American enterprise in the Far East and on the good intentions of earnest citizens who regard the building up of commerce with China as the simple matter of selling the Chinese merchant something and buying something from him in return.

JAPAN'S AMBITION AND AMERICA'S ATTITUDE

"Japan is situated geographically in such a way that China is her natural field for trade expansion. She has shown the intelligence, foresight and vigor which entitle her to a large share of that trade. She is determined to have it. Hand in hand with this determination she has developed a merchant marine and a spirit for foreign enterprise which fit her eminently well to take care of it. She is an island empire and

is developing in much the same way and with much the same basic power as England developed.

“I think that to be an island is one of the elements of tremendous national strength. By force of necessity, such a country's people are compelled to find new fields outside their land. They take to shipping and to foreign trading and these develop characteristics of national strength, both material and moral, which go to make great nations. Such trade activities require and beget a spirit of enterprise and daring. England has it, Japan has it, and in the same sense Denmark, though not quite an island, has much of it. We had much of it in the early days when we had to trade abroad.

“I believe that Japan's attitude and policy with respect to China is exactly correct so far as Japan is concerned. If we were Japan I should want us to have the same attitude. Japan sees in China her greatest field for trade and material advantage. She is going to develop that trade to her own advantage. We in her place should want to do the same. As it is, we have advocated the ‘open door’ in China in order to benefit our own trade. England is looking out for herself. I do not blame Japan in her attitude, but feel that it is the natural one for her to take. If I am in business and my competitor has a customer with whom I should trade, though I may be on good terms with my competitor I am going to do all in my power to get as much of the trade of that customer for my firm as I can. I should not be carrying out my obligation if I did not.

“If, therefore, Japan has undoubted right to a large share of the trade with China by virtue of her position, her trading ability, and what is more, perhaps, the

strength of her government in standing firmly back of a decisive foreign policy, it is up to us to examine this attitude and her rights in relation to our own.

CHINESE-JAPANESE-AMERICAN CO-OPERATION IN CHINA.

"I know that Japan, not once but several times, has approached American capital with specific propositions for a definite plan of co-operation for development in China. Her financiers have urged her ability to afford strong Government protection back of private investment as a definite reason why American capital should join hands with Japanese in this work. I am willing to say to anybody that in order to accomplish the development of China during our time, I would have Americans enter into such a plan with the Japanese on a basis of fifty-fifty of our share of an enterprise entered into with the Chinese as the other shareholders. In all enterprises of American and Japanese capital in China, the Chinese must be partners.

"American enterprise abroad has never received adequate protection from the United States Government. It can be fairly stated that during our lifetime we shall not see the day when the Chinese will have their Government in such stabilized order that the foreign investor will be willing to take the risk of placing his money in natural resource development there without the guarantee of some stronger government that his money will be safe. I say this in entire friendliness to the Chinese and in the knowledge that China is daily making large progress. Her affairs, political and industrial, are moving ahead.

“ But it is not a future condition that the American investor can afford to deal with now. He must deal with the fact. The fact is that he has not the confidence in the power of the Chinese Government, because of revolution, local disturbances, disintegration of central power, disorganized taxation and currency systems and divided authority between local and central government to give insurance to an investor that the million or half-million dollars he has put into the development of a Chinese mine, industry or railroad is so soundly his by virtue of the protection of some governmental authority that he can entirely disregard the possibility of interference, confiscation or loss. While such conditions exist American capital will not enter development work in China in a comprehensive way and American trade with China cannot grow.

“ When a Japanese financial enterprise decides to put a million dollars into a Chinese steel industry or a Chinese mine, its sponsors know immediately that they may rest assured that their Government will see to it that no Chinese insurrection, riot or local interference will disturb this industry in the least respect and the money invested. The very agreement of the Chinese Government with the Japanese Government—not an agreement between the Chinese Government and the Japanese private investor but an agreement with the visé of the Japanese Government—guarantees absolute protection by the Chinese Government.

“ If the United States Government would take cognizance with its visé of any contract or agreement made between American bankers and developers and the Chinese Government for the development of a mine or a public utility, I am quite sure that this would

guarantee full and undisturbed protection to the enterprise through the Chinese Government. There would be involved no political complications. The Chinese Government would see to it that every protection was afforded such enterprise.

“There is no disposition on the part of American enterprise to question the potentialities for stable government and progress inherent in the Chinese or the desire of the Chinese to lend assurance to the foreign investor. The fact remains, however, that the future of his money is regarded as an uncertainty by the American investor under present conditions. Until this uncertainty is removed by the authority of our own Government—or if our Government fails to grant this, by the authority of some other government whose strength has already been established—American trade with China, American development enterprise in China, cannot advance.

ADVANTAGES TO ALL THREE

“Co-operation with Japan, therefore, is a probable solution of the present question. I repeat that I regard Japan’s attitude as perfectly correct so far as Japan is concerned. Furthermore, it is to our advantage to join with Japan. Where I know in business that a competitor of mine is not only determined to get a large and valuable business which I want also, but is well fitted to carry out that determination by virtue of the natural advantages he possesses, by his native ability and by intelligent leadership, and when that competitor in this situation comes to me and offers to co-operate with me in developing this business hand in hand on an equal basis, using his ability and knowledge and

position to match my money, I should gladly enter such a co-operative arrangement.

"I should not enter any such arrangement of co-operation, however, without the primary object in mind of developing China for the advantage of China. China, Japan and the United States should work together. The United States should enunciate its policy to be one of willingness to work with Japanese financiers in the development of China on the sole basis that in all such enterprises Chinese capital and Chinese participation should enter to the advantage of China. When I speak of a fifty-fifty arrangement with Japan, I mean a division between Japan and this country of the share in such enterprise other than that held by the Chinese. There can be no real development of China unless the Chinese participate. It is their country. They know the country. They have some capital and are willing to invest it. They are a wonderful people. I should not have Americans enter into any development work in China except that which would be to the advantage especially of the Chinese.

"I believe that Japan is sincere, that she wants an opportunity for trade development, that she does not want to rule China. I believe that this country should take Japan at her word and enter into co-operation with her."



THE FIELD IN CHINA.

An Address by Mr. W. F. Carey Before the American Association of Peking, May 11.

Mr. W. F. Carey, of the Siems, Carey Company, addressed the American Association of Peking on May 12, on the occasion of a dinner given by the association. Mr. Carey expressed himself as being in harmony with the objects of the association and said he would always do his best to co-operate with American business men in whatever way he could for the benefit of all of them. Although China had a field for investment, they must be careful to find out what sort of business China could attract. There was no big field for merchant classes. To find capital was one of China's biggest problems. China for centuries had done business on a basis which America could not understand and would not follow. Business operations had to be clearly defined and must lead to no uneasiness. American capital was not only willing but anxious to come to China. Chinese had great faith in their word, which was not to be gainsaid, but they were inclined to be a little careless as to future guarantees. China's word was as good as it ever was. China had never at any time forfeited her obligations and her word would always remain good. (Applause). But matters must be clearly cut and well-defined before Americans would consent to do business. He hoped that the visiting American business men would not leave the country discouraged, but he could assure them that the political situation would not affect their enterprises. Increased business was bound in future to roll across the country. In conclusion, the speaker paid a handsome tribute to the American Minister, who, he said, had done more than any other man to advance the interests of Americans and who was at all times ready to take his coat off for the benefit of his fellow-citizens. (Applause.)

A MANUFACTURER'S VIEW.

Address by Mr. Anson W. Burchard Before the
America-Japan Society, May 11.

Japanese and American co-operation received endorsement from a man highly qualified to speak on this subject, at the inaugural banquet of the America-Japan Society, held in Tokyo May 11, when Mr. Anson W. Burchard, executive vice-president of the General Electric Company, was one of the principal speakers. Mr. Burchard gave an account of the joint manufacturing enterprises conducted by the General Electric Company in Japan, in which, he said, the co-operation of Americans and Japanese had been attended with highly satisfactory results.

Mr. Burchard emphasized the importance of personal contact between the leading men of the two countries for better understanding and sounder international relations. "Nothing is so effective as personal contact in promoting understanding, and in clearing away differences," said Mr. Burchard, "and to that end encouragement of travel between Japan and America is, I believe, one of the most important directions in which the influence of this Society can be exercised.

"The interest in Japan of American men of affairs, initiated by the favorable impressions they have gained from the representative citizens of Japan whom they have the privilege of meeting in America, is rapidly growing and has stimulated in them the desire to familiarize themselves with the institutions, industries and other features of this country by personal contact and study. In this connection, the highly patriotic and disinterested visits to America of that distinguished Japanese, Baron Shibusawa, constitute a notable ex-

ample. It is from this personal acquaintance of the people of the two countries, thereby bringing about better understanding, not only of their personal characteristics, but also of their respective political, economic and sociological problems, that we may look for greatest forward progress in achieving the aims of this Society."

Mr. Burchard went on to discuss some aspects of co-operation as a factor in international relations. "The forces made available to mankind through the technical and scientific development of the past century," he said, "have become so powerful that when directed to the accomplishment of a purpose by antagonistic methods, they become destructive. The terrible war now raging in Europe affords the most appalling example of the consequences of the attempt to achieve an ambition by methods of strife. And in industry and commerce this principle applies with equal force: forward progress must be realized through co-operation, by united effort, giving consideration to the rights of others, and accepting as a reward a fair participation in the resultant advance of the entire body of the industrial and commercial interests concerned."

Mr. Burchard turned last to the more concrete subject of the working together of Americans and Japanese in financial and industrial undertakings. Speaking of the partnership between his own company and its Japanese associates, he said:

"Such a partnership, whereby, with the adaptability, craftsmanship, skill and industry of the Japanese, there has been combined the technical and manufacturing experience of the earlier established enterprise of America, constitutes an example of practical co-operation.

“ It will be recognized, without the slightest degree of disparagement of the notable achievements of the Japanese in many fields, that the ingenious Americans turned their attention to the art of the manufacturer with large centralized units of production at an earlier date than the Japanese, and it was to be expected that with the abundance of raw materials in America—coal, iron, copper, cotton, etc.—and with the large water power available in the Eastern States of America, where the people first made manufacturing their principal avocation, the industries of that country would be established on a modern basis earlier than in Japan, where their development according to modern methods began at a considerably later period.

“ The great opportunity for productive co-operative effort between the Japanese and the Americans lies in such a co-ordination of the elements of successful industrial development as is illustrated by the experience which I have attempted to describe. The field is a broad one, manufacturing, mining, public utility enterprises, in fact in every example of the application of modern science and invention to the use and convenience of mankind. I am confident that the alert and sagacious Japanese and the resourceful Americans will not fail to seize these opportunities.”

CHINA'S NATIONAL DEBT.

By CRAWFORD M. BISHOP

FORMERLY UNITED STATES VICE-CONSUL IN CHINA.

The total outstanding indebtedness of the Central Government of China to-day is approximately \$837,000,000 gold. Of this amount \$814,000,000 represents foreign indebtedness. Comparing China with the United States and Japan, we have :

Country.	Population.	Debt.	Debt. Per Capita.
United States...	95,411,000	\$1,026,686,026	\$10.76
Japan	52,312,000	1,251,316,800	23.92
China	400,000,000	836,947,410	2.08

During the past year the returns from China's main sources of taxation have been :

Revenue.	Amount in Mexican dollars.	Administration.
Salt Revenue	\$72,440,559	Foreign
Land Tax.....	65,400,000	Native
Native Customs or Likin	62,000,000	Native
Maritime Customs ...	50,112,000	Foreign

The budget for the Chinese Government for 1917 indicates :

Receipts\$ 411,389,356 Mex.

Expenditures 525,897,446

The best evidence of the advantages derived from foreign administration is shown by a comparison of the revenues derived from the salt tax when under native as compared with foreign control. The revenue under native control, before the reorganization, was \$16,333,833, Mex.; the revenue under foreign control, collections of 1916, \$72,440,559, Mex.

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